FRONTLINE GOLD CORPORATION

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2019

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

Frontline Gold Corporation

Condensed Consolidated Interim Statements of Financial Position
(Expressed in thousands of Canadian Dollars)
Unaudited

	As at March 31, 2019	As at December 31, 2018
Assets		
Current assets		
Cash	**$ 4,118**	$ 31,187
Short-term investment (note 4)	**94,903**	36,106
Amounts receivable	**19,755**	17,285
Total current assets	**118,776**	84,578
Non-current assets		
Equipment (note 6)	**2,725**	2,925
Exploration and evaluation assets (note 5)	**625,518**	625,405
Total non-current assets	**628,243**	628,330
Total assets	**$ 747,019**	$ 712,908
Liabilities and Shareholders' Deficiency		
Current liabilities		
Accounts payable and accrued liabilities	**$ 1,383,384**	$ 1,427,764
Loans payable (note 7)	**137,163**	137,163
Amounts owing to related parties (note 8)	**1,107,249**	1,058,599
Total liabilities	**2,627,796**	2,623,526
Shareholders' deficiency		
Share capital (note 9)	**13,593,633**	13,593,633
Shares to be returned to treasury and cancelled (note 9)	**(73,548)**	(73,548)
Share-based payments reserve (note 9)	**1,718,102**	1,718,102
Deficit	**(17,118,964)**	(17,148,805)
Total shareholders' deficiency	**(1,880,777)**	(1,910,618)
Total liabilities and shareholders' deficiency	**$ 747,019**	$ 712,908

The accompanying notes to the unaudited condensed consolidated interim financial statements are an integral part of these statements.

Nature of Operations and Going Concern (note 1)

These unaudited condensed consolidated interim financial statements were authorized for issue by the Board of Directors on May 30, 2019. They are signed on the Company's behalf by:

"Walter Henry" Director (Signed)

"Tom Hussey" Director (Signed)

Frontline Gold Corporation

Condensed Consolidated Interim Statements of Income (loss) and Comprehensive Income (loss)
(Expressed in thousands of Canadian Dollars, except per share amounts)
Unaudited

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Operating expenses		
Consulting fees	**$ 7,000**	$ -
Depreciation	**200**	278
Interest and loan fees	**4,444**	4,469
Office and general	**608**	-
Professional fees	**10,525**	5,375
Share transfer, listing and filing fees	**2,000**	-
Travel and business development	**-**	783
Total operating expenses	**24,777**	10,905
Net loss before other items	**(24,777)**	(10,905)
Other items		
Foreign exchange gain (loss)	**5,821**	(8,370)
Unrealized loss on short-term investments	**(19,569)**	(300)
Gain on optioning of properties	**68,366**	-
Total other items	**54,618**	(8,670)
Total comprehensive income (loss) for the period	**$ 29,841**	$ (19,575)
Net income (loss) and comprehensive loss per share - basic and diluted	**$ 0.00**	$ (0.00)
Weighted average number of shares outstanding - basic and diluted	**140,463,361**	140,463,361

The accompanying notes to the unaudited condensed consolidated interim financial statements are an integral part of these statements.

Frontline Gold Corporation
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
Unaudited

	Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Operating activities		
Net income (loss) for the period	**$ 29,841**	$ (19,575)
Adjustments for:		
Depreciation	**200**	278
Income from optioning property	**(68,366)**	-
Unrealized loss (gain) on short-term investments	**19,569**	300
Changes in non-cash working capital items:		
Amounts receivable	**(2,470)**	(43)
Accounts payable and accrued liabilities	**8,820**	(5,168)
Related party loans	**48,650**	23,853
Net cash provided by (used in) operating activities	**36,244**	(355)
Investing activities		
Expenditures on exploration and evaluation assets (net of recovery)	**(63,313)**	-
Net cash used in investing activities	**(63,313)**	-
Financing activities		
Repayment of loans	**-**	(16,665)
Net cash used in financing activities	**-**	(16,665)
Net change in cash	**(27,069)**	(17,020)
Cash (Bank indebtedness), beginning of period	**31,187**	19,244
Cash, end of period	**$ 4,118**	$ 2,224

The accompanying notes to the unaudited condensed consolidated interim financial statements are an integral part of these statements.

Frontline Gold Corporation

Condensed Consolidated Interim Statements of Changes in Shareholders' Deficiency
(Expressed in thousands of Canadian Dollars)
Unaudited

	Common shares without par value #	Amount	Treasury shares	Share-based payments reserve	Deficit	Total deficiency
Balance, December 31, 2017	**140,463,361**	**$ 13,593,633**	**$ (73,548)**	**$ 1,692,102**	**$ (17,040,859)**	**$ (1,828,672)**
Net loss for the period	-	-	-	-	(19,575)	(19,575)
Balance, March 31, 2018	**140,463,361**	**$ 13,593,633**	**$ (73,548)**	**$ 1,692,102**	**$ (17,060,434)**	**$ (1,848,247)**
Balance, December 31, 2018	**140,463,361**	**$ 13,593,633**	**$ (73,548)**	**$ 1,718,102**	**$ (17,148,805)**	**$ (1,910,618)**
Net income for the period	-	-	-	-	29,841	29,841
Balance, March 31, 2019	**140,463,361**	**$ 13,593,633**	**$ (73,548)**	**$ 1,718,102**	**$ (17,118,964)**	**$ (1,880,777)**

The accompanying notes to the unaudited condensed consolidated interim financial statements are an integral part of these statements.

1. Nature of Operations and Going Concern

Frontline Gold Corporation ("Frontline" or the "Company") was incorporated under the Canada Business Corporations Act on January 16, 2008 and completed an initial public offering on March 23, 2009. The address of the Company's corporate office and principal place of business is 1 Toronto Street, Suite 201, Box 10, Toronto, Ontario, Canada.

The Company is in the process of exploring mineral properties in Canada, Mali and Turkey and has not yet determined whether these properties contain economic reserves. To date, the Company has not earned production revenue and is considered to be in the development stage.

The Company's unaudited condensed consolidated interim financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company has incurred net losses to date and as at March 31, 2019 has a working capital deficiency of $2,509,020 (December 31, 2018 - $2,538,948).

Management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. Management intends to continue to raise additional funding in the form of equity financing from the sale of common stock and/or monetization of assets to improve the working capital position, but there is no assurance that the Company will be successful in achieving these goals. These factors may cast significant doubt on the use of the going concern basis of accounting used in the preparation of these consolidated financial statements. These financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue in business, and these adjustments may be material.

2. Basis of Preparation

(a) Statement of Compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard 34 Interim Financial Reporting ("IAS 34"). The accounting policies used in the preparation of these unaudited condensed consolidated interim financial statements are consistent with the accounting policies disclosed in the Company's December 31, 2018 annual consolidated financial statements. These unaudited condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's December 31, 2018 year end consolidated financial statements. These unaudited condensed consolidated interim financial statements were authorized for issue by the Board of Directors on May 30, 2019.

(Expressed in thousands of Canadian Dollars, except as otherwise indicated)

2. Basis of Preparation (Continued)

(b) New Accounting Standard Adopted

On January 1, 2019, the Company adopted the following standards:

IFRS 16 Leases ("IFRS 16")

IFRS 16 was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. The adoption of IFRS 16 had no impact to the Company's financial statements.

3. Capital Management

The Company’s objective when managing capital is to maintain adequate levels of funding to support the acquisition and exploration of mineral properties and maintain the necessary corporate and administrative functions to facilitate these activities. The Company’s definition of capital is equity and working capital.

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing, primarily equity financing, to fund its activities. There can be no assurance that the Company will be able to continue to raise capital in this manner. To carry out the planned exploration and fund administrative costs, the Company will raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it believes there is sufficient geologic and economic potential and if it has adequate financial resources to do so. There were no changes to the Company’s approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

4. Short-term Investment

	Number of shares	Historical cost	Fair value March 31, 2019	Fair value December 31, 2018
Granite Creek Copper Ltd.	8,333	$ 2,000	**$ 1,500**	$ 1,250
Pacton Gold Inc.	424,560	111,385	**93,403**	34,856
		$ 113,385	**$ 94,903**	$ 36,106

(Expressed in thousands of Canadian Dollars, except as otherwise indicated)

5. Exploration and Evaluation Assets

The change in exploration and evaluation ("E&E") assets in the period are as follows:

	As at December 31, 2018	Acquisition costs	Exploration expenditures	Option proceeds received	As at March 31, 2019
Niaouleni Gold Project	$ 33,424	$ -	$ -	$ -	**$ 33,424**
Red Lake - Birch Lake	-	-	10,000	(10,000)	**-**
Whitehorse Property	115	-	113	-	**228**
Rainy River Property	77,000	-	-	-	**77,000**
Kambertepe Property	168,641	-	-	-	**168,641**
Keban Property	200,517	-	-	-	**200,517**
Giresun Property	21,000	-	-	-	**21,000**
Rex Lake Property	10,301	-	-	-	**10,301**
Jubilee Lake Property	9,140	-	-	-	**9,140**
Gullrock Property	75,000	-	-	-	**75,000**
Other Ontario Property	30,267	-	-	-	**30,267**
	$ 625,405	$ -	$ 10,113	$ (10,000)	**$ 625,518**

There were no changes in E&E assets during the three months ended March 31, 2018.

<u>Niaouleni Gold Project</u>

The Company holds a 100% interest in two contiguous exploration permits (the "Niaouleni Gold Project") in Mali, West Africa. The permits are subject to a 5% Net Profit Royalty and a 2% Net Smelter Return Royalty ("NSR"). The 2% NSR is convertible at the election of the holder or the Company into 5,000,000 shares of the Company.

During 2014, the Company entered into an option agreement with Granite Creek Gold Ltd. ("Granite Creek"). Granite Creek can acquire an initial 65% interest in the permits by completing US$600,000 in exploration expenditures over a three-year period (the "earn-in period").

Pursuant to the option agreement, Granite Creek issued 25,000 common shares to the Company for a 60-day exclusivity on the option to complete due diligence. In 2015, Granite Creek relinquished its right to the option.

5. Exploration and Evaluation Assets (Continued)

Red Lake - Birch Lake

The Company holds a 100% interest in mineral claims in the Red Lake-Birch Lake District in Northwestern Ontario, approximately 80 kilometres east-northeast of the town of Red Lake.

Frontline's Red Lake Property Group comprises 34 mineral claims and 2 mineral patents, totaling 274 claims units for a total area of approximately 4,420 hectares. The Red Lake Property Group primarily consists of 3 properties: 1) Baird/Heyson mineral claims ("Baird/Heyson Property"), 2) the Chukuni package, and 3) the Whitehorse Island Patents ("Whitehorse Property"):

2017 Option Agreement

On May 17, 2017 the Company executed an option agreement ("2017 Option Agreement") with Pacton Gold Inc. ("Pacton", TSXV: PAC) wherein, Pacton has the option to acquire a 100% percent interest in the Company's Red Lake Property Group, in the Red Lake District (which includes the Chukuni and Whitehorse properties), by making certain payments and share issuances to Frontline. The Company has received from Pacton the first payment of $75,000 and 1,200,000 common shares with a fair value of $120,000 during 2017.

Pacton will have the option to acquire a 100 percent interest in the Red Lake Property Group from Frontline by making four (4) cash payments totaling $300,000 ($75,000 paid), and issuing a total of 4,200,000 common shares (1,200,000 issued) to Frontline over a three (3) year period. Frontline's Red Lake Property Group retains a 2.25% net smelter returns royalty, with Frontline's net smelter returns royalty ranging from 0.25% to 2.25% on all the mineral claims and mineral patents. Pacton can purchase one-half (1/2) of Frontline's royalty by payment of $250,000 for each 0.25% of Frontline's Royalty. The acquisition of the Red Lake Property Group by Pacton was approved by the TSX Venture Exchange.

2018 Option Agreement

On November 1, 2018, the Company entered into an option agreement ("2018 Option Agreement") with Pacton, wherein, Pacton has the option to acquire a 100% interest in the 12 mineral claims located in the Red Lake District, by making certain payments and share issuances to Frontline. The Company has received from Pacton the first payment of $30,000 and 100,000 common shares with a fair value of $27,000 during 2018.

Pursuant to the terms of the 2018 Option Agreement, Pacton will have the option to acquire a 100 percent interest in the 12 mineral claims located the Red Lake Property Group from Frontline by making four (4) cash payments totaling $110,000 ($30,000 paid), and issuing a total of 250,000 common shares (100,000 issued) to Frontline over a two (2) year period.

Tilly Property

On January 29, 2019, the Company entered into an acquisition agreement with Pacton, wherein Pacton acquired 100% interest in certain claims located in the Red Lake Mining District known as the Tilly Property from the Company. Pursuant to the terms of the acquisition agreement, the Company received 192,310 common shares of Pacton valued at $47,116.

5. Exploration and Evaluation Assets (Continued)

Red Lake - Birch Lake (continued)

Duchess Property

On February 20, 2019, the Company entered into an option agreement ("Duchess Option Agreement") with Pacton, wherein, Pacton has the option to acquire a 100% interest in certain mineral claims located in the Red Lake District, known as the Duchess Property. Pursuant to the terms of the Duchess Option Agreement, Pacton will have the option to acquire the 100% interest in the Duchess Property from Frontline by:

(i) directly paying a maximum of $30,000 on behalf of Frontline to cover the costs of conducting certain exploration work on the property;
(ii) issuance of 125,000 common shares of Pacton (received, valued at $31,250);
(iii) cash payment of $50,000 and issuance of 100,000 common shares of Pacton on or before the first anniversary date; and
(iv) cash payment of $50,000 and issuance of 125,000 common shares of Pacton on or before the second anniversary date.

Chukuni Property

During 2015, the Company had, subject to regulatory approval, negotiated an option to purchase up to a 100% interest in the Chukuni property ("Chukuni"), subject to a 0.5% net smelter returns royalty. The property is comprised of six contiguous claims, totaling 2,720 acres on 68 claim units, which is located along the south and western boundaries of Goldcorp Inc.'s ("Goldcorp") Red Lake Gold Mine in the Red Lake Gold District, Ontario.

To exercise its option and acquire up to a 100% interest in the claims, the Company must issue a total of 150,000 shares over two years and pay the Option or a total of $72,000 (of which $7,000 is due on signing (paid), $10,000 is due on the first anniversary date of signing, $15,000 is due on the second anniversary, $20,000 is due on the third anniversary and $20,000 is due on the fourth anniversary). If the Company acquires the claims and begins commercial production on any part of the claims, it will pay a 0.5% net smelter returns royalty. The Company may repurchase one-half of the royalty for $500,000.

Whitehorse Property

During 2015, the Company had, subject to regulatory approval, acquired a 100% interest in the Whitehorse Island property ("Whitehorse"), which hosts the Whitehorse Island gold shaft. The property comprised of two contiguous claims, totalling 35.55 hectares, is strategically situated between Goldcorp/Premier Gold's Rahill-Bonanza Gold Property to the North-east and Premier Gold's Hasaga Gold property to the south west. The Whitehorse Island mining patents were previously owned by Grandview Gold Inc. On August 31, 2015, the Company entered into a binding Letter of Intent with Abitibi Royalties Inc. to sell a 2% net smelter royalty (“NSR”) on the property and 15% of any cash proceeds should the property be sold or joint ventured. Abitibi Royalties Inc. has paid the Company $10,000.

5. Exploration and Evaluation Assets (Continued)

Rainy River Property

During 2015, the Company had acquired an option to acquire a 100% interest in the Rainy River property ("Rainy River") which is comprised of fifteen contiguous claims located in the Kenora township in Ontario. The property is subject to a net smelter returns royalty of 2% on six of the claims and 1% on the remaining nine claims.

To exercise its option and acquire up to a 100% interest in the claims, the Company must issue a total of 500,000 shares over four years and pay the Optionor a total of $70,000 (of which $10,000 is due on February 1, 2016 ($3,000 paid), $10,000 is due on the first anniversary date of signing, $12,000 is due on the second anniversary, $12,000 is due on the third anniversary, and $26,000 is due on the fourth anniversary).

The Company may repurchase one-half of the 2% royalty for $1,000,000 and one-half of the 1% royalty for $250,000.

The Company acquired an option to acquire a 100% interest in 6 additional claims in the Rainy River property subject to regulatory approval. The 6 claims consist of 79 units and are located within the Company's Rainy River property group. The property is subject to a 1% net smelter returns royalty.

To exercise its option and acquire up to 100% interest in the claims, the Company must issue a total of 500,000 shares and pay the Optionor a total of $28,000 (of which $2,000 was paid on signing ("Initial Payment"), an additional $3,000 within 30 days of the Initial Payment (paid), an additional $3,000 within 60 days of the initial payment (paid), $7,500 due on the first anniversary date of signing (paid), $7,500 is due on the second anniversary ($2,500 paid), and $5,000 is due on the third anniversary).

The Company may repurchase the 1% NSR royalty for $250,000.

Kambertepe and Keban Tailings

On March 29, 2016, through its Tender Process Agent, AHSA Muh. Mut. ins Mad San Tic Ltd Sti ("AHSA"), the Company was awarded and purchased both the fully permitted Keban and Kambertepe Tailings Projects for the processing of the tailings, which are both located in the Elazig Province of Turkey in the Central East Anatolia region. The acquisition includes the following:

The tailings project was acquired through the conditional payment of 2,550,000 Turkish Lira, approximately C$1,200,000, payable over 12-months starting 30 days following start of profitable operations over a monthly period. The Company will be required to submit monthly operating reports to the Elazig Government. The Company will have 24 months to complete the exploitation of the Keban tailings.

The *Kambertepe Tailings Project* was acquired through the payment of 80,000 Turkish Lira, approximately C$37,000; paid.

Giresun Tailings Project

During 2016 the Company acquired, the fully permitted Giresun Tailings Project for 54,500 TL (approximately $21,000 Cdn (paid)) for the processing of the tailings.

5. Exploration and Evaluation Assets (Continued)

Rex Lake Property

On April 2, 2018, the Company acquired an option to acquire a 100% interest in the Rex Lake property ("Rex Lake") which is comprised of two claims located in the Rex Lake Township in Ontario.

To exercise its option and acquire up to a 100% interest in the claims, the Company must make a total cash payment of $76,000, of which $8,000 is due on May 15, 2018 (paid), $10,000 is due on May 15, 2019, $12,000 is due on May 15, 2020, $16,000 is due on May 15, 2021, and $30,000 is due on May 15, 2022 and fund staking costs in the minimum amount of $2,000 to be done or before April 10, 2018 (paid).

The property is subject to a net smelter return royalty of 1.50%. The Company may repurchase one-half of the 1.50% royalty for $500,000.

Jubilee Lake Property

On October 24, 2017, the Company announced that it acquired a 100% interest in six mineral claims, covering approximately 736 hectares, primarily located within the Jubilee Lake and Birkett townships of Northwestern Ontario's Red Lake Mining Division.

To exercise its option and acquire a 100% interest in the Jubilee Lake Prospect claims, the Company must pay the Optionor a total of $16,500 (of which a total of $15,000 is due in years 1 to 3 of the option agreement) and grant the Optionor a 2% net smelter returns royalty. The Company has paid $1,500.

The properties are subject to a 1% NSR royalty on six claims. Frontline may repurchase one-half of the 1% royalty for $250,000.

Gullrock Property

On November 27, 2018, the Company acquired a 100% interest in the Gullrock property, located in the Red Lake district, from Alexandria Minerals Corporation ("Alexandria", a company related to a director and officer of the Company")

The acquisition of the Gullrock Property also includes all exploration data and technical information associated with the properties in the possession of the Alexandria, and any other hard assets located on the property underlying the properties.

(Expressed in thousands of Canadian Dollars, except as otherwise indicated)

6. Equipment

Cost	December 31, 2017	Additions	December 31, 2018	Additions	March 31, 2019
Furniture and equipment	$ 5,015	-	$ 5,015	$ -	**$ 5,015**
Computer hardware	38,148	-	38,148	-	**38,148**
	$ 43,163	$ -	$ 43,163	$ -	**$ 43,163**

Accumulated Depreciation	December 31, 2017	Additions	December 31, 2018	Additions	March 31, 2019
Furniture and equipment	$ 4,018	200	$ 4,218	$ 40	**$ 4,258**
Computer hardware	35,108	912	36,020	160	**36,180**
	$ 39,126	$ 1,112	$ 40,238	$ 200	**$ 40,438**

Carrying amounts	December 31, 2018	March 31, 2019
Furniture and equipment	$ 797	**$ 757**
Computer hardware	2,128	**1,968**
	$ 2,925	**$ 2,725**

7. Loans Payable

On April 27, 2016 the Company received $250,000 in an unsecured loan from two non-arm's length investors. On June 27, 2016 the Company received an additional $200,000 from these investors. The loans are to be repaid in 12 monthly instalments of $37,500 beginning in November 2016. The loan bears interest at 12%. In the event the Company defaults on any payment of interest or principal when due, the interest rate shall increase to 18% with the unpaid balance of the loan becoming payable on demand. The balance of the outstanding loan as at March 31, 2019 is $137,163 (December 31, 2018 - $137,163).

In addition, the Investors are also entitled to receive royalty payments "(Royalties") from the Company. The Royalties shall be calculated as 3.5% of the "Net Proceeds", as defined below, received by the Company from the Keban and Kambertepe tailings projects in Turkey (the "Tailings Projects"). Net Proceeds shall mean the gross revenue received by the Company or any of its subsidiaries from the sale of metals or any other products derived from the Tailings Projects after deducting the excavating and transportation costs, and processing costs.

The Company has the right to buy back 0.5% of the Royalty (in which case the outstanding royalty will drop to 3%) one year after the first royalty payment has been made at a purchase price of $100,000. The right is exercisable for a period of 30 days after which it shall expire and terminate if not exercised by the Company.

8. Related Party Transactions

Payments to key management personnel including the Chief Executive Officer, Chief Financial Officer, and Directors and companies directly controlled by key management personnel are for salaries, director fees, consulting fees, management fees or professional fees and are directly related to their position in the organization.

The Company is related to Merrex Gold Inc. (“Merrex”) by way of common directors and shared staff, rent and office costs in Mali to February 28, 2013. The balance owing to Merrex as at March 31, 2019 for the Company’s portion of shared costs is $259,907 (December 31, 2018 - $259,907). The amount of the payable was subject to mutual agreement of the Company’s share of costs in Mali. The amount due was agreed between the parties during 2013 and a reduction of $278,092 was credited to the Naouleni project during 2013. The amount payable to Merrex is non-interest bearing with no fixed terms of repayment.

The Company has a loan agreement to borrow from its President and Chief Executive Officer. The loan is unsecured and non-interest bearing with no fixed terms of repayment.

Included in amounts owing to related parties are additional amounts owing to directors, officers, and corporations in which directors and officers are shareholders totalling $341,038 (December 31, 2018 - $292,388); and $506,305 (December 31, 2018 - $506,305) owing to the President and Chief Executive Officer.

During the three months ended March 31, 2019, $7,000 in directors fees were paid to directors of the Company (three months ended March 31, 2018 - $nil).

Related party transactions are in the ordinary course of business, and are measured at the amount agreed to by the related parties.

(Expressed in thousands of Canadian Dollars, except as otherwise indicated)

9. Share Capital

Authorized

Unlimited number of common shares, without nominal or par value.

Issued during 2019 and 2018

None issued during the periods ended March 31, 2019 and 2018.

Share Purchase Warrants

There were no changes in warrants during the periods ended March 31, 2019 and 2018.

Share Purchase Options

The Company adopted a stock option plan under which it is authorized to grant options to officers, directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. The options can be granted for a maximum of 10 years and vest as determined by the Board of Directors.

There were no changes in stock options during the periods ended March 31, 2019 and 2018.

The following table summarizes information about options outstanding as at March 31, 2019:

Expiry Date	Options Outstanding	Options Exercisable	Weighted average remaining life (years)	Weighted average exercise price
September 27, 2021	10,500,000	10,500,000	2.49	$ 0.05

10. Financial Instruments

The Company's risk exposures and the impact on the Company's financial instruments are summarized below.

Credit Risk

The Company has no significant credit risk arising from operations. The Company's credit risk is primarily attributable to cash. The Company holds its cash with a Canadian chartered bank and the risk of default is considered to be remote.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due (Note 1). The Company's approach to managing liquidity risk is to ensure it will have sufficient liquidity to meet liabilities when due. The Company's accounts payable and accrued liabilities are due within one year. As at March 31, 2019, the Company has a working capital deficiency of $2,509,020 (December 31, 2018 - $2,538,948) to settle current liabilities of $2,627,796 (December 31, 2018 - $2,623,526). In addition to the normal working capital requirements, the Company has further payment requirements under option agreements and to maintain its interests in its mineral properties that are outlined in Note 5 - Exploration and Evaluation Assets.

Interest Rate Risk

Interest rate risk is the risk that the value of the Company's assets and liabilities can change due to a change in interest rates. The Company considers interest rate risk related to cash to be low.

Foreign Currency Risk

The Company conducts exploration activities in foreign countries and a portion of exploration expenditures are transacted in US dollars, CFA francs and Turkish Lira. The Company is exposed to risk of major changes in these currencies relative to the Canadian dollar.

Sensitivity Analysis

Certain of the Company's exploration and administrative expenditures are paid in US dollars, CFA francs, British Pounds and Turkish Lira. As at March 31, 2019, the Company had $267,000 in accounts payable denominated in US dollars and converted to Canadian dollars, and $16,547 in accounts payable denominated in British pounds and converted to Canadian dollars. A ten percent change in the exchange rates would affect the Company's working capital by approximately $30,000.

11. Segment Reporting

The Company has one reportable operating segment, being that of acquisition, exploration and evaluation of mineral properties.